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SUBJECT: BRAZIL'S FOREST CONCESSIONS BILL SIGNED INTO LAW,  
CONSIDERED A VICTORY FOR ENVIRONMENT MINISTER SILVA

REFS: A) 05 BRASILIA 2426, B) 05 BRASILIA 0265

[¶1](#). Summary: After nearly 3 years of planning and political maneuvering, Brazil signed into law its Public Forest Management Bill (PL). Brazilian President Lula has publicly praised Environment Minister Silva for this achievement. The law creates a Brazilian Forest Service, sets up a National Forest Development Fund and puts into effect an infrastructure for sustainable use of public lands (including the use of concessions). (reftel A) The PL was passed by the Brazilian Senate in January, via an agreement with opposition parties which included the addition of three amendments. At that time, many environmental experts feared that the amendments would unduly politicize the bill, harming its effectiveness. However, before signing the bill President Lula vetoed four articles, including the Senate's three additions. These vetoes have incensed Congress which has the power to re-evaluate and reincorporate the vetoes articles, if it chooses. Until Congress takes action, the bill will be implemented as signed into law by Lula. End Summary

[¶2](#). The law aims to strengthen forest conservation (especially in the Amazon) by decreasing land speculation, putting an end to fraudulent property claims (grilagem) and creating a socially inclusive, sustainable forest-based economy. The GoB estimates that approximately 13 million hectares in the Amazon will be opened to public use over the first 10 years of the plan. Minister Marina Silva and President Lula predict that the lands along the BR-163 highway, an area synonymous with grilagem and made infamous through the murder of Dorothy Stang, will be the first lands affected under the law.

[¶3](#). In terms of stemming grilagem, as all public lands will be held by the federal government, illegal claims will no longer have value. Furthermore, according to Paulo Adario of Greenpeace (one of the new law's most vocal proponents) the government can now halt the onslaught of agriculture by renting public lands to entities and enterprises that will maintain forest cover. For Minister of the Environment, Marina Silva, under the auspices of the new law "the predatory logger will begin to act legally, turning into a forest producer. Lula, addressing concerns that Brazil's forests will be auctioned off to the highest bidder, reinforced the idea that the government will retain title over the land stating, "in summary I can say that this new law guarantees, for today and for the future, that these public forests will continue to be forests and will continue to be public." In an effort to bolster enforcement efforts, 20% of concession's revenues will sustain the costs of the new Brazilian Forest Service, while the remaining 80% will be allotted to state authorities, municipal authorities and the National Forest Development Fund (FNDF).

[¶4](#). It is, however, Lula's four vetoes which remain the highlight of the signing. The articles he vetoed curbed what many authorities considered undue political interference in the law. The three most

important vetoes removed the necessity of congressional sanction for the head of the Forest Service, an article which required congressional approval for all concessions over 2500 hectares and ministerial oversight, via a governing council, of the new Forest Service. The law will now be published in the Official Registry, 45 days after which it can be implemented. That said, Congress can, but is not required to, revisit the issue and has the power to reincorporate the amendments via a joint session (Chamber and Senate) of Congress. While this often takes years to accomplish, this PL is surrounded by special circumstances.

¶5. A group of angry Senators has called on the President of the Senate, Renan Calheiros, to convene a special session of Congress to vote anew on the vetoed articles. They consider that the President reneged on a political promise, circumventing the accord in the Senate which brought the Bill to a vote.

¶6. Comment: The new law is almost unanimously regarded as a constructive, positive step towards conservation. Despite Lula's political gamble with the vetoes, the law will be implemented...with or without the amendments. Therefore, there are a variety of aspects to the new bill which open avenues for increased USG-GoB cooperation, not the least of which includes the creation of the Brazilian Forest Service and a variety of new public parks. Post will continue to update as timelines for implementation and next steps are clarified.

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